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Claims 1-11 and 20-26 were previously considered in the Office Action. By the forgoing, claims 1, 10, and 25 have been amended and claim 5 has been canceled. No claims are added. Consequently, claims 1-4, 6-11, and 20-26 remain pending for the Examiner's consideration. The remarks below support applicant's assertion that these claims distinguish over the prior art, and are therefore in condition for allowance.

**Rejections under 35 U.S.C. §112**

Claims 1 -11 have been rejected under 35 U.S.C. § 112 as being indefinite based on the presence of the language "one or more plurality" in claim 1, line 7. The Examiner correctly determined that through applicant's error, the language "one or more" remained in the version of claim 1 in applicant's prior listing of the claims, despite having been deleted in applicant's response of February 24, 2006. Accordingly, applicant confirms herein the deletion of "one or more" from claim 1. The rejection of claims 1-11 under 35 U.S.C. § 112 should therefore be fully addresses and overcome. Reconsideration is requested.

**Rejection under 35 U.S.C. §102(e)**

Claims 1, 4, 6, 21, 23, and 25-26 have been rejected under 35 U.S.C. 102(e) as being anticipated by Shkedy. Applicant offers the following arguments in supports of its assertion that claim 1, as amended, is patentably distinct from the Shkedy reference.

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**Claims 1, 4, and 6**

Applicant has amended claim 1 to recite, in part, "acquiring, over a network, customer information from each of said plurality of customers, said customer information including a preference ranking of more than one Program Terms associated with said product". (Claim 1, lines 4-6, as amended, emphasis added.) In making this amendment, applicant seeks to incorporate into claim 1 the limitations relating to ranking of two or more Program Terms found in the now-cancelled claim 5. Therefore, the amendments to claim 1 introduced herein should not alone necessitate a new search, and should therefore be considered in any response from the Patent Office hereto.

It is respectfully submitted that since claim 5 was not rejected in the Office Action under 35 U.S.C. 102(e), the incorporation into claim 1 of limitations found in claim 5 means that amended claim 1 can no longer be rejected under 35 U.S.C. 102(e). Specifically, with reference to claim 5, the Office Action states that Shkedy "does not explicitly disclose ... grouping said plurality of customers into pools in accordance with the customers (sic) predefined ranking of two or more Program Terms." (Office Action, page 8, lines 3-5.) Therefore, the Office Action itself supports the conclusion that Shkedy does not teach each and every term of amended claim 1, and therefore cannot be the basis of a rejection of that claim under 35 U.S.C. 102(e). See Verdegaal Bros. v. Union Oil Co. of California, 2 U.S.P.Q.2d 1051, 1053 (Fed. Cir. 1987); M.P.E.P. § 2131. (However, claim 5 was rejected under 35 U.S.C. 103(a), and so amended claim 1 will be discussed in substance in light of the rejection of claim 5, below.) Furthermore, claims 4 and 6, which depend from and contain all limitations of claim 1 were likewise rejected under 35 U.S.C. 102(e), but now by their dependence contain the limitations originally found in claim 5. Thus, these claims should also no longer stand rejected under 35 U.S.C. 102(e).

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Applicant therefore respectfully requests reconsideration and removal of the rejection of claims 1, 4, and 6 (as amended).

Applicant also points out that claim 6 contains the limitation "grouping said customers into at least a second pool comprising one of a Characteristic Pool and a Commitment Pool." (Claim 6, line 2-3.) Applicant asserts that there is no such teaching in Shkedy. The section cited in the Office Action allegedly teaching this feature (col. 14, lines 7-25) merely teaches allowing a buyer to specify a date on which it would like to make the desired purchase. This allows for a grouping of buyers by date, potentially providing increased leverage for the buyer pool based on volume. There is absolutely nothing disclosed about second pools in addition to first pools based on a Preferred Program Term, nor pools (second or otherwise) based on buyer characteristics (e.g., buyer demographics per application page 9, lines 10-26), nor pools (again, second or otherwise) based on the willingness of a buyer to commit prior to receipt of an actual bid (application page 9, line 26 through page 10, line 14). Therefore, applicant asserts that Shkedy does not teach each and every term of amended claim 6, and therefore cannot be the basis of a rejection of that claim under 35 U.S.C. 102(e). Verdegaal Bros., supra. Applicant therefore requests reconsideration and allowance of claim 6 on these grounds.

***Claims 20, 21, 23, and 25-26***

Claims 21, 23, and 25-26 have also been rejected under 35 U.S.C. 102(e) in light of Shkedy. Applicant believes that the Examiner also meant to include claim 20 in the list of claims rejected under 35 U.S.C. 102(e) in light of Shkedy based on the statements made at page 4,

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line 20 through page 6, line 4. Applicant respectfully traverses the rejection of claims 20, 21, 23, and 25-26 under 35 U.S.C. 102(e) in light of Shkedy.

It will be noted that claim 20, lines 5-6, provides an on-line user interface "which displays for selection a plurality of terms associated with said selected good or service" (emphasis added). However, it will also be noted that the passages cited from Shkedy, e.g., col. 7, line 59 to col. 8, line 5, teach selecting a "substitute" item. This distinction – between "associated with" and "substitute" - is critical.

The selection of a plurality of terms associated with said selected good or service according to the present invention permits bidders to focus on the term or terms deemed most important to that specific pool of buyers. For example, a bid for a pool of credit card customers may include details relating to the rate of the introductory APR, the length of the introductory APR, the overall APR, grace period, annual fee, and awards program. If the bidder can identify that for a particular pool overall APR is of primary importance, then the bidder may tailor the bid with a low overall APR, balancing that term against the remaining terms for the credit card product.

The concept of selecting substitute items taught by Shkedy requires a buyer to risk giving up his preferred choice of an item in the hope of obtaining a better deal either in that preferred choice or on the substitute item. The selection of a substitute item and broadcasting of that selection to buyers merely increases the buyer's leverage in the bidding process (see col. 7, lines 61-62).

Applicant previously asserted that Shkedy does not teach a system facilitating a seller's making calculated trade-offs in purchasing a product. The Office Action challenged this

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assertion, citing col. 7, lines 61-65. This cited section merely states that a buyer could identify an alternate item it would be willing to purchase. Indeed, in every other example cited by the Examiner, the choices provided to the buyer are of alternate products – different makes of computer, different color pens, different dates or classes of airline travel. Nothing is disclosed suggesting that a buyer could indicate a preference for one feature over another for a single product. Thus, Shkedy cannot facilitate a seller's tailoring of a single product (with multiple terms) in order to meet the buyer's request for a preferred term for that product.

Finally, Applicant points out that this distinction between "associated with" and "substitute" does not require reading any limitation from applicant's specification into the claims – it is based on the plain meaning of the two terms. However, the descriptions in both the present application and in Shkedy are consistent with this interpretation of the claim language.

In addition, since Shkedy fails to teach "displaying for selection a plurality of terms associated with said selected good or service", it must also fail to teach "automatically grouping users into a pool, prior to an auction, such that each user in said pool has indicated a similar preference for said preferred one of said terms [associated with said selected good or service]." (Claim 20, lines 9-10.) That is, Shkedy is only able to group users who have made choices between substitute items, not those who have made selection between a plurality of terms associate with a single item as claimed.

Accordingly, applicant respectfully asserts that claim 20, and by their dependence on claim 20, claims 21, 23, and 25-26, contain limitations not found or suggested by Shkedy, and therefor the Shkedy reference cannot and does not anticipate those claims under 35 U.S.C.

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§102(e). Applicant therefore requests reconsideration and removal of the rejection of claims 20, 21, 23, and 25-26 under 35 U.S.C. §102(e).

In addition, applicant reiterates its statements above regarding Shkedy's failure to teach grouping by express commitment and common characteristic such as a buyer's demographic. This shortcoming means that Shkedy cannot render claim 21 unpatentable under 35 U.S.C. §102(e). Verdegaal Bros., supra. Applicant therefore requests reconsideration and allowance of claim 21 on these grounds.

Finally, as to claims 25 and 26, it is asserted in the Office Action that Shkedy teaches establishing a "Term Ratio" (claim 25, line 2, claim 26, line 1) to facilitate grouping of buyers based relative ranking of terms. Initially, since we have demonstrated that Shkedy fails to teaching addling of ranking of terms from among multiple terms associated with a single product, Shkedy cannot teach using such a ranking to establish a term ratio. Second, the Office Action points to col. 15, lines 42-57 as an example of a term ratio. Applicant states that this is a misinterpretation of the example provided at that portion of Shkedy. What the cited portion of Shkedy actually discloses is forming a total purchase order from a number of buyers when only parts of those buyer's individual orders are for the same product. (In the example, one buyer's order for pens is combined with another buyer's order for pens and pencils to obtain a single order for pens and pencils.) Nothing is taught about examining the different preferences of a buyer regarding a product or service, then forming a ratio related to those preferences to permit a seller to most effectively bid on providing that product or service. This means quite plainly that Shkedy cannot render claims 25 and 26 unpatentable under 35 U.S.C. §102(e). Verdegaal Bros., supra. Applicant therefore further requests reconsideration and allowance of claims 25 and 26 on these grounds.

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Rejection under 35 U.S.C. §103(a) – Shkedy***Claims 2, 7, and 9***

Claims 2, 5, 7, and 9 have been rejected under 35 U.S.C. §103(a) as being unpatentable over Shkedy. (Previously cancelled claims and claims cancelled herein are not discussed further below.) Applicant respectfully asserts that by their dependence upon claim 1 as amended herein, and in light of the arguments presented below regarding claim 1, the Shkedy reference does not render claims 2, 7, and 9 unpatentable under 35 U.S.C. §103(a).

As stated above, claim 1 has been amended to substantially include the limitations found in now-cancelled claim 5 relating to a user specifying a preference ranking for more than one program terms associated with a product. That is, the claims now includes the limitation "acquiring, over a network, customer information from each of said plurality of customers, said customer information including a preference ranking of more than one Program Terms associated with said product". (Claim 1, lines 4-6, as amended, emphasis added.) The Office Action admits that such a limitation is not found in Shkedy. ("Shkedy...does not explicitly disclose wherein said grouping said plurality of customers into pools in accordance with the customers predefined ranking of two or more program terms." Office Action, page 8, lines 3-5.) However, the Office Action states that a "customers can enter a plurality of Program terms and the step of ranking and/or filtering such terms is notoriously well known in the art and would be obvious to anyone of ordinary skill." (Office Action, page 8, lines 6-8.) This statement is both without support and incorrect.

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Applicant reiterates that Shkedy merely discloses providing a buyer with choices for substitute products, not choices to rank terms related to a single product. There is no portion of text or figure in Shkedy which demonstrates obtaining "preference ranking of more than one Program Terms associated with [a] product". No suggestion in Shkedy or in the art in general has been identified in the Office Action which would suggest, motivate nor teach modifying Shkedy's disclosure of providing a buyer with choices for substitute products in order to obtain the claimed limitation of providing a buyer with choices for terms associated with a single product. "Obviousness can only be established by ... modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. In re Fine, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988); In re Jones, 958 F.2d 347, 21 USPQ2d 1941 (Fed Cir. 1992)." M.P.E.P. § 2143.01 (emphasis added). The burden is on the Examiner in the first instance to demonstrate where such teaching, suggestion or motivation is found in the references or general knowledge in the art. Ex parte Levy, 17 U.S.P.Q.2d 1461 (BPAI 1990). This burden has not been met.

Therefore, applicant respectfully asserts that the disclosure of Shkedy does not teach or suggest obtaining "preference ranking of more than one Program Terms associated with [a] product", nor is there any suggestion in the art in general to suggest such a limitation. "To establish prima facie obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. In re Royka, 490 F.2d 981, 180 USPQ 580 (CCPA 1974)." M.P.E.P. § 2143.03. Accord. M.P.E.P. § 706.02(j). While claim 1 has not been rejected under 35 U.S.C. §103(a), now cancelled claim 5 was rejected thereunder. Due to the fact that claim 5 included all of the limitations of claim 1, and that claim 1 as amended now includes the

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limitations of cancelled claim 5, applicant anticipatorily argues that a rejection of claim 1 in light of Shkedy under the law of 35 U.S.C. §103(a) cannot be maintained. Accordingly, applicant requests consideration of claim 1, as amended, and its prompt allowance.

Claims 2, 7, and 9 depend from and therefore contain all of the limitations found in claim 1. As claim 1 has been shown above to be patentable in light of the disclosure of Shkedy, claims 2, 7, and 9 by their dependence on claim 1 must also be patentable over Shkedy, since those claims merely add additional limitations to the subject matter of claim 1. Therefore, applicant respectfully requests reconsideration and allowance of claims 2, 7, and 9.

#### ***Claims 22 and 24***

Claims 22 and 24 have also been rejected under 35 U.S.C. §103(a) as being unpatentable over Shkedy. Applicant respectfully asserts that by their dependence upon claim 20, and in light of the arguments presented below, the Shkedy reference does not render claims 22 and 24 unpatentable under 35 U.S.C. §103(a).

It is initially pointed out that claims 22 and 24 depend from and contain all of the limitations of claim 20. Applicant has demonstrated above that claim 20, lines 5-6, provides an on-line user interface "which displays for selection a plurality of terms associated with said selected good or service" (emphasis added), but that Shkedy (e.g., col. 7, line 59 to col. 8, line 5) teaches selecting a "substitute" item. Furthermore, applicant has demonstrated above that Shkedy fails to show that customers can enter a preference from among a plurality of program terms associated with a single product and that the Examiner has not met the burden of citing

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how one skilled in the art might modify what Shkedy does teach (selecting among substitute products) to obtain the claimed limitation (selecting from among various terms associated with a single product).

By their dependence on claim 20, claims 22 and 24 include all of the limitations found in claim 20. Therefore, claims 22 and 24 each include the limitation which displays for selection a plurality of terms associated with said selected good or service" (claim 20, lines 5-6). This limitation is nowhere found nor suggested in Shkedy. This shortcoming precludes a finding of unpatentability under 35 U.S.C. § 103(a) of claims 22 and 24 in light of Shkedy. In re Royka, supra. Thus, applicant respectfully requests reconsideration and allowance of claims 22 and 24.

Rejection under 35 U.S.C. §103(a) – Shkedy and Shoham

The Office Action additionally rejects claims 3, 8, and 10-11 under 35 U.S.C. §103(a) as being unpatentable over the combination of Shkedy and Shoham. Applicant has distinguished claim 1 from Shkedy above for lacking the concept of obtaining a preference as between terms associated with a single product. Claims 3, 8, and 10-11 depend directly or indirectly from claim 1. Thus, for the combination of Shkedy and Shoham to be effective prior art against the claims, Shoham must disclose the concept of obtaining a preference as between terms associated with a single product so as to provide what Shkedy is lacking. However, Shoham fails to do so.

The system disclosed by Shoham aggregates buyers interested in purchasing a product offered at a low price, provided a sufficient number of buyers commit to the purchase.

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Essentially, the Shoham system uses volume discounts to attract buyers. However, Shoham is silent as to permitting buyers to rank their preferences for certain attributes of the goods or services being offered. Thus, Shoham as well (as Shkedy) fails to teach or suggest the concept of preferences among Program Terms associated with a product. Accordingly, neither reference alone, nor the combination of the two references together teach, suggest or disclose each element of the invention constituting claim 1 of the present application.

More specifically, as the two references lack a teaching or suggestion of "acquiring, over a network, customer information from each of said plurality of customers, said customer information including a preference ranking of more than one Program Terms associated with said product" (claim 1, lines 4-6, as amended), their combination must also lack such a teaching. Thus, applicant respectfully asserts that no case of prima facie obviousness has been made as to claims 3, 8, and 10-11 (In re Royka, supra), and requests their reconsideration and allowance.

Importantly, while applicant has focused on the common features from the base claims, each of the dependent claims in the present application provide their own additional limitations which may form the basis for distinguishing the reference, although such limitations are not explicitly addressed herein. Thus, applicant reserves the right to argue the differences between the dependent claim limitations and the cited references for a later date, if necessary.

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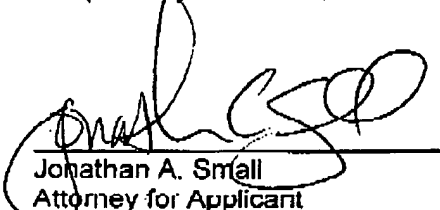
**CONCLUSION**

In view of the foregoing, applicant believes that all claims pending in this application now meet statutory requirements and distinguish over the cited art, and are therefore in condition for allowance. The issuance of a formal Notice of Allowance of this application at the earliest possible date is respectfully requested.

By action taken here, Applicant in no way intends to or causes any surrender of any subject matter or range of equivalents beyond that strictly required to patentably distinguish the claimed invention as a whole over the prior art. Applicant expressly reserves without dedication all such subject matter and equivalents that may fall in the range between Applicant's literal claim recitations and combinations taught or suggested by the prior art.

If the Examiner believes that a telephone conference would expedite prosecution of this application, please telephone the undersigned at 650-941-4470.

Respectfully submitted,

  
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